

# Education and Workforce Development Cabinet

## Kentucky's unemployment rate stays at 7.4 percent in July 2014

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### **Contact Information:**

**FRANKFORT, Ky. (Aug. 14, 2014)** — Kentucky's seasonally adjusted preliminary unemployment rate for July 2014 was unchanged from the revised 7.4 percent in June 2014, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

The preliminary July 2014 jobless rate was 1.0 percentage point below the 8.4 percent rate recorded for the state in July 2013.

The U.S. seasonally adjusted jobless rate rose to 6.2 percent in July 2014 from 6.1 percent a month ago, according to the U.S. Department of Labor.

Labor force statistics, including the unemployment rate, are based on estimates from the Current Population Survey of households. It is designed to measure trends rather than to count the actual number of people working. It includes jobs in agriculture and those classified as self-employed.

In July 2014, Kentucky's civilian labor force was 2,035,440, a decrease of 15,523 individuals compared to the previous month. Employment was down by 13,231, and the number of unemployed declined by 2,292.

In a separate federal survey of business establishments that excludes jobs in agriculture and people who are self-employed, Kentucky's seasonally adjusted nonfarm employment increased by 9,100 jobs in July 2014 from the month before, and by 26,300 positions since July 2013.

"Nonfarm employment has increased steadily throughout 2014. But in the last three months, job growth has perked up substantially, averaging 1.2 percent growth from a year ago," said economist Manoj Shanker of the OET.

Nonfarm data is provided by the Bureau of Labor Statistics' Current Employment Statistics program. According to this survey, nine of Kentucky's 11 major nonfarm North American Industry Classification System (NAICS) job sectors registered gains in employment, while two declined from the previous month.

Kentucky's manufacturing sector gained 5,000 jobs in July 2014 compared to the previous month. Since July 2013, employment in manufacturing has increased by 3,500 jobs.

"Manufacturing employment has been effectively flat for two years, with gains in the durable goods sector being offset by losses in nondurables," said Shanker. "The tide is turning with the hiring of more permanent full-time workers in favor of temp workers."

The construction sector posted an upswing of 2,200 jobs in July 2014 from a month ago. Since July 2013, employment in construction has declined by 500 positions.

“The sudden surge in July is a welcome surprise. It is the largest single-month gain in construction in seven years. The uptick is from specialty trade contractor jobs,” said Shanker.

Employment in the other services sector, which includes repairs and maintenance, personal care services, and religious organizations, was up by 1,300 positions in July from a month ago. This sector posted an increase of 2,200 jobs from a year ago.

Kentucky’s professional and business services added 400 positions in July 2014 from a month ago. The year-over-year gain was also substantial with the addition of 8,400 jobs, or 4.2 percent. This category includes establishments engaged in services that support the day-to-day activities of other organizations, including temporary employment services and payroll processing.

The financial activities sector posted an increase of 400 jobs from a month ago. The sector has contracted by 2.6 percent during the last 12 months with the loss of 2,300 jobs.

The information sector gained 400 jobs in July 2014. This segment has risen by 1,000 positions since July 2013. The industries in this sector include traditional publishing as well as software publishing; motion pictures and broadcasting; and telecommunications.

Employment in the mining and logging sector went up by 300 in July 2014. The industry has added 500 jobs since last July.

Employment in the educational and health services sector posted an increase of 200 positions in July 2014, and an overall gain of 2,500 jobs over the year. Health care jobs account for nearly 90 percent of employment in this sector and had a month-to-month increase of 400 jobs.

The trade, transportation and utilities sector gained 100 jobs in July 2014 from a month ago. From a year ago, employment has grown by 4,700 jobs, or 1.3 percent. This is the largest sector in Kentucky accounting for one-fifth of all nonfarm jobs. Retail trade lost jobs while wholesale trade and warehousing gained positions over the year.

Kentucky’s leisure and hospitality sector declined by 500 positions in July 2014 from a month ago. Since July 2013, this sector has grown by 6,100 jobs for an increase of 3.4 percent. This sector includes arts, entertainment, recreation, accommodation and food services.

The government sector, which includes public education, public administration agencies and state-owned hospitals, lost 700 jobs in July 2014, but posted an increase of 200 positions compared to July a year ago.

Civilian labor force statistics include nonmilitary workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky’s statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about Kentucky labor market information at [www.kylmi.ky.gov](http://www.kylmi.ky.gov).

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